

JUL 6 - 2004

FCC - MAILROOM



June 30, 2004

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20544

Re: In the Matter of The Pay Telephone Reclassification and Compensation  
Provisions of the Telecommunications Act of 1996, CC Docket 96-128

Dear Ms. Dortch:

Northland Telephone Systems ("Northland") submits this letter and accompanying contract between Northland and MCI Worldcom Network Service, Inc. ("MCI") in regards to the Commission's Order in CC Docket 96-128 ("Order")<sup>1</sup>, released on October 3, 2003, respecting the obligations of Completing Carriers to provide certain compensation and reporting to payphone service providers (PSPs), replacing the Commission's interim compensation rules effective July 1, 2004.

Northland is a Facility Based Reseller, and therefore is a Completing Carrier as that term is defined in the Commission's Order in CC Docket 96-128 ("Order"). However, Northland has contracted with MCI to provide compensation and reporting to PSPs on Northland's behalf. The contract between Northland and MCI is attached.

Sincerely,

Jeremiah O. McCarthy  
President

Northland Telephone Systems, Ltd.

cc: Ms. Ruth Jaeger  
President  
APCC Services, Inc.  
625 Slater Lane, Suite 104  
Alexandria, Virginia 22314

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<sup>1</sup> *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunication Act of 1996, CC Docket No. 96-128, Report and Order, (2003) (Order).*



April 23, 2004

Northland Telephone Systems LTD  
Attn: Heather Kirkland  
9560 Main St  
Holland Patent, NY 13354

Dear Customer:

In response to the Report and Order in FCC Docket No. 96-128, released October 3, 2003 (the "Order"), MCI WORLDCOM Network Services, Inc. ("MCI") is implementing new payphone surcharge policies for all calls that originate from a payphone that are delivered for completion to a Facility Based Reseller ("FBR") (i.e., an entity that has its own switch/platform). The FCC has adopted rules holding all FBRs responsible for compensating Payphone Service Providers (PSPs) for payphone-originated calls that are completed on those FBRs' platforms. **These rules are to be effective July 1, 2004.**

Under the rules, FBRs may directly compensate PSPs at the default compensation rate provided they have filed with the FCC and each PSP for which it completes calls a system audit attesting to the accuracy of their payphone compensation tracking systems by the effective date of the rules. FBRs who have not filed a system audit of their payphone compensation tracking systems by the effective date may negotiate other mechanisms for payment. The option being offered by MCI is MCI's "Opt-In 100% Option", provided PSPs agree to be compensated in this manner. (See paragraph 48 of the Order). While MCI hopes that PSPs will not dispute this payment method, MCI can not guarantee this outcome. Therefore, in the event you select the Opt-In 100% Option you also agree to indemnify and hold harmless MCI from and against any claims made by a PSP relating to the compensation, if any, due such PSP. Along with MCI's payment to each PSP, MCI will request that the PSP acknowledge that compensation for 100% of the calls sent by MCI to your platform is an acceptable compensation arrangement. Further, in the event a PSP disputes this payment arrangement, MCI agrees to provide you with data documenting the payphone calls sent to your platform

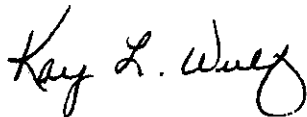
**Please note that the Order does not impact "switchless" resellers. MCI will continue to assess the payphone surcharge and compensate PSPs according to current policies and procedures.**

Beginning July 1, 2004, if you choose not to compensate the PSPs directly, you may agree to deem 100% of all of your payphone-originated calls as being completed to the dialed party ("Opt-In 100% Option") and MCI will compensate the PSPs on your behalf. Even if you have previously elected the Opt-In 100% Option in the past, you **MUST re-affirm your election at this time. MCI must receive your election on or before June 1, 2004.** No retroactive elections will be accepted.

If you choose the Opt-In 100% Option, please initial the box below, complete the customer information and forward this signed response via facsimile to:

Important Dates to Remember	
June 1, 2004	Deadline to return letter indicating Opt-In 100% Option (if applicable)
July 1, 2004	FCC's new FBR compensation rules become effective. FBRs will compensate PSPs on their own behalf.
July 20, 2004	All FBR Payphone records for service through June 30, 2004 must be submitted to MCI.

Sincerely,

A handwritten signature in cursive script, reading "Kay L. Wulf".

Kay Wulf  
Vice President, Business Operations

MCI Wholesale Contract Management  
Fax: 918-590-0458

PLEASE INITIAL: TE Opt-In (100%)

Customer (Company Name) Northland Telephone Systems, LTD

Authorized Representative (Name) TH Ellis

Signature Thomas I Ellis

Date 5/19/04

**PLEASE NOTE:** The Order also requires that MCI, as an "Intermediate Carrier" maintain, and provide to PSPs with each quarterly payment, company contact information on its FBRs. Therefore, please provide the following information for the individual who should be contacted regarding payphone compensation issues. MCI needs this information regardless of whether you elect the Opt-In 100% Option. Please fax to:

**MCI Wholesale Contract Management**  
**Fax: 918-590-0458**

Customer (Company Name) Northland Telephone Systems

Contact Person's Name Heather Kirkland

Street Address 9560 Main Street

E-Mail Address hkirkland@dreamscape.com

Phone Number (315) 865-5201

In absence of a returned letter by June 1, 2004 indicating the Opt-In 100% Option, MCI will assume your company will compensate the PSPs on its own behalf. In such case, beginning July 1, 2004, MCI will no longer assess a payphone surcharge on each call MCI originates from a payphone and delivers to your switch/platform for termination.

All FBRs who previously elected to provide MCI with FBR Payphone Records to determine the Payphone Reduction Amount or "PRA" must have their final FBR Payphone Records for Service through June 30, 2004, submitted to MCI on or before July 20, 2004. After this date, MCI will no longer accept ANY FBR Payphone Records.